



June 25, 2002

Via Federal Express

Mr. William Foley
184 Lamberts Drive
Cohasset, MA 02025

Re: Claim for Severance Benefits

Dear Bill:

As communicated to you in our phone conversation on June 20, 2002, this is to confirm that I have reviewed your request for additional severance benefits and determined that the level of severance benefits communicated to you on May 21, 2002 is appropriate. You were employed in a sales position as an exempt individual contributor. Therefore, you are not entitled to a director-level severance package. The Severance Benefits Plan sets forth the procedure for you to file a claim under the terms of the Plan if you should choose to do so. If you need a copy of the Plan, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Liptak".

Julie Liptak
Vice President, Human Resources
Alcatel USA

cc: Toby Todd, Director
Corporate Benefits